

**OAKVILLE SCHOOL DISTRICT No. 400**  
**Grays County, Washington**  
**September 1, 1992 Through August 31, 1994**

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**Schedule Of Federal Findings**

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1. Payroll Charges To Federal Programs Should Be Supported By Time And Attendance Records

Oakville School District did not have an acceptable system for recording employee time and attendance spent on the federal Chapter 1 program (CFDA 84.010A).

U.S. Office of Management and Budget (OMB) Circular A-87, *Cost Principles*, and the "Common Rule" for *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, establish standards for documentation and allowability of costs chargeable to federal grant programs.

- a. Amounts charged to grant programs for personal services will be based on payrolls supported by time and attendance or equivalent records for individual employees (OMB Circular A-87).
- b. Grantee financial management systems shall provide for records that identify adequately the source and application of funds for grant supported activities "Common Rule."

In the absence of a system that meets federal standards, salary and benefits charged to federal programs are not properly supported.

Oakville School District program management indicated they were unsure, or did not fully understand, the federal requirements for time and attendance reporting and documentation. They were under the mistaken impression time and attendance records were not required if its employees were assigned to only one federally funded or sole cost objective program.

We recommend that Oakville School District implement a time and attendance reporting system, including written procedures, that complies with OMB Circular A-87 and the "Common Rule" for all federal programs that are charged through payroll.